

My Why

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do with a budget and very little to do with how her savings were invested. The solution was not a product or even a piece of paper with a written plan. What made the difference was how she viewed her own situation - the beginnings of a new "framework" and the process of thinking about her money differently. Once she understood her personal finances (the good and the bad) and had some ideas as to solutions for her particular situation that would work, the worrying just went away and she started to focus on the incremental tasks she needed to perform to fix her problems.

Are these people out of the woods? No way! Is their situation manageable? Absolutely! Actually, their situation was always manageable ... they just had no idea HOW to manage it or even confidence in the fact that it WAS manageable.

This is a good start - but it is not the end of the story.

Process Not Product

Just like the medical community that pitches a purple pill, or a type of surgery or treatment as the solution to all medical maladies, financial advisors promote products as the solution to all of your money problems. That product can be an insurance policy, a mutual fund, a contribution to an IRA, a legal document (like a trust or incorporation papers) ... OR EVEN A FINANCIAL PLAN.

But each of these products only treats a symptom of (financial) pain. To get rid of that pain for good means making a SHIFT in your choices. If you are fat, you need to consume fewer carbs. If you are in pain, you may need to change how you walk or sit or move your head. If you are broke, you have to change how you think about money and where you spend the dollars that you have.

I cannot emphasize enough that the financial plan - that strategy that we put together and the written document you should receive - is NOT the end solution. It is the process that follows that matters. While you may get rid of those sleepless nights for awhile, the worries and struggles will return if you don't make the SHIFT to a new way of thinking about your money. Without that SHIFT, you'll make the same choices you've always made and continue to "enjoy" the same (crappy) results.

Carl Richards, one of the great, forward-thinkers in the financial planning industry points out that a financial plan (like *any* plan for

business, finances, sporting games or even air flight) is based on assumptions. Those assumptions are based on past experience and are almost assured to be wrong in the future.

(Read [Carl's article in the New York Times](http://bucks.blogs.nytimes.com/2010/03/15/why-financial-plans-are-worthless/))

A good plan is not set in stone. It is fluid and can easily be adjusted for changes that you will encounter. As Carl points out:

Think of this as the difference between a flight plan and the actual flight. Flight plans are really just the pilot's best guess about things like the weather. No matter how much time the pilot spends planning, things don't always go according to the plan. In fact, I bet they rarely go just the way the pilot planned. There are just too many variables. So while the plan is important, the key to arriving safely is the pilot's ability to make the small and consistent course corrections. It is about the course corrections, not the plan.

It is about the course corrections ... not the plan!

It is about the process ... not the product.

A New Framework - Useful, Not Perfect

I prefer to look at a financial plan as a "framework" through which you can view your financial situation each day - not unlike a good pair of night goggles in a place where there is no moonlight and no electricity so there is very little ambient light.

You're fumbling around in the dark with the tools you are given - touch (limited by the length of your arms), sound (useful but easily misguided), smell (not always even useful) and sight (useless unless you have those night goggles).

Working with a fiduciary professional turns on the night goggles and allows you to see details in your surrounding environment about which you could only guess before. It does also have it's limitations. You can't see color very well (just light and dark) and you have very little peripheral vision so it is easy to be blindsided unless you pay attention to the other sensory data.

Clearly, life in this situation is better with the night goggles than it is without them ... but there is still lots of room for improvement.

The Fiduciary Advisor's Why

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